

Message Text

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O R 201045Z NOV 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 443

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS UNN

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PHNOM PENH

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AMEMBASSY STOCKHOLM

AMEMBASSY VIENTIANE
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 1 OF 5 SAIGON 14511

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJ: EMBASSY SAIGON'S MISSION WEEKLY FOR NOVEMBER 14-20, 1974

WEEKA ITEMS

THE CEASEFIRE

PACM: DETERMINATION TO MOVE AHEAD; CHANGES IN FOCUS

PRESS NOTES

POLITICAL PARTIES BILL ADOPTED BY LOWER HOUSE

NEW DEVELOPMENT IN BINH TUY CASE

20THE APACL MEETING TO BE HELD IN SAIGON

LAWYERS SPEAKING OUT

AN QUANG FORMS RECONCILIATION GROUP FOR YOUNG MONKS AND NUNS

FONMIN VISITS THE PHILIPPINES

FOREIGN EXCHANGE RESERVES RISE IN OCTOBER

EXPORT TREND STAYS FLAT

CONSUMER PRICES DOWN marginally

GOLD PRICES FOLLOW INTERNATIONAL UPWARD TREND

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INTERNAL

A. THE CEASEFIRE

THE OVERALL INCIDENT LEVEL WAS SOMEWHAT HIGHER, BUT GVN CASUALTIES WERE COMPARABLE TO A WEEK AGO. THE NUMBER OF NVA/VC KILLED, ON THE OTHER HAND, WAS CONSIDERABLY HIGHER. BECAUSE OF SEVERE WEATHER CONSTRAINTS MR1 WAS MARKEDLY LESS

ACTIVE, THE PRINCIPAL ACTION BEING ARVN'S DOGGED PURSUIT OF THE STRATEGIC MO TAU MOUNTAIN AREA, WHICH CONTINUED IN SPITE OF THE WEATHER. THE OTHER MILITARY REGIONS, HOWEVER, SHOWED A SIGNIFICANT UPTURN IN ACTIVITY. IN THE BIG FIGHTING IN MR1, ARVN FORCES AGAIN SUCCESSFULLY RESISTED STRONG COMMUNIST EFFORTS TO PUSH THEM OUT OF THE STRATEGIC POSITION COMMANDING THE AN LAO VALLEY. SEVERAL ARVN INITIATIVES IN MR3 MET WITH CONSIDERABLE SUCCESS. THERE WAS A SHIFT IN EMPHASIS IN THE DELTA, WITH THE GREATEST NUMBER OF INCIDENTS OCCURRING IN THE NORTHERN AREA.

ACTIVITY IN MR1 WAS APPRECIABLY LOWER, DUE IN LARGE PART TO INCLEMENT WEATHER WHICH AHD A DAMPENING INFLUENCE THROUGHOUT THE REGION. NORTH OF THE HAI VAN PASS, QUANG TRI WAS ESSENTIALLY QUIET, BUT THE FIGHTING IN THE MO TAU AND NUE BONG MOUNTAIN AREAS CONTINUED, WITH RVNAF STILL NOT ABLE TO REGAIN CONTROL OF THESE STRATEGIC SITES. GVN AIRBORNE UNITS CONTINUE TO HOLD THE AREA NORTHWEST OF HILL 52 IN QUANG NAM. THE HEAVIEST ACTIVITY SOUTH OF THE HAI VAN PASS OCCURRED IN THE BINH SON AREA OF QUANG NGAI. ONE ASPECT OF THIS WAS A SAPPER ATTEMPT NOV 18 TO BLOW UP TH BINH SON BRIDGE, WHICH WAS THWARTED.

THE NVA/VC PRESSED PARTICULARLY STRONG ATTACKS IN BINH DINH PROVINCE IN THEIR CONTINUING EFFORTS TO UNSEAT ARVN FROM THE AN LAO VALLEY HIGH GROUND. THE ARVN DEFENDERS RECEIVED 600 ROUNDS OF MORTAR AND RECOILLESS RIFLE FIRE PRECEEDING A GROUND ATTACK; HOWEVER, THE COMMUNISTS WERE AGAIN UNSUCCESSFUL. ARVN ARTILLERY DESTROYED 1,000 ROUNDS OF NVA MORTAR AMMUNITION IN THE BATTLE AND COMMUNIST CASUALTIES WERE HEAVY. BINH DINH ALSO FEATURED NVA SAPPER ATTACKS AGAINST TERRITORIAL FORCES DEFENDING QL 19 WEST OF BINH KHE, BUT THE 42ND ARVN REG SUPPORTED

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THE LOCAL FORCES AND PRETTY WELL REMOVED THE THREAT TO THE ROAD. THE COMMUNIST EFFORT IN PLEIKU PROVINCE FOCUSSED ON LOCS AND WAS MAINLY DIRECTED AGAINST QL19 EAST OF PLEIKU CITY AND QL14 SOUTH OF THE CITY. THERE WERE FEW CONTACTS IN KONTUM, BUT NVA ENGINEERS CONTINUED TO IMPROVE AND EXTEND COMMUNIST LOCS. JGS INTELLIGENCE EXPECTS A COMMUNIST ATTACK AGAINSTY KONTUM CITH WITHIN THE NEXT SEVERAL WEEKS. IN LIGHT OF THAT, CORPS IS PLANNING UNIT MOVES TO PROVIDE DEFENSE FOR THE CITY.

MAINLY AS A RESULT OF ARVN INITIATIVE THERE WAS AN INCREASE IN THE LEVEL OF ACTIVITY IN MR3. THE PRINCIPAL ARVN AIM WAS TO ROLL BACK SOME OF THE NVA/VC INCURSIONS

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C O N F I D E N T I A L SECTION 2 OF 5 SAIGON 14511

CINCPAC FOR POLAD

DURING THEIR SUMMER/AUTUMN CAMPAIGN IN ORDER TO STRENGTHEN THE ARVN POSITION IN THE SAIGON RIVER CORRIDOR NORTHWEST OF THE CAPITAL CITY. AGAIN THIS WEEK, THE COMMUNISTS ENGAGED IN SAPPER ACTIVITY IN THE AREA AROUND SAIGON, WITH GIA DINH PROVINCE CONTINUING TO BE THE FOCUS OF THAT EFFORT. MININGS THROUGHOUT MR3 WERE APPRECIABLY HIGHER, AND LED TO A NUMBER OF CIVILIAN CASUALTIES. ALTHOUGH BINH DUONG WAS AGAIN THE MOST ACTIVE PROVINCE, INCIDENTS IN HAU NGHAI WERE MARKEDLY HIGHER THIS WEEK. BOLD BINH DUONG RF TROOPS SCORED A CONSIDERABLE SUCCESS IN AN ATTACK ON NVA FORCES ON THE EDGE OF THE MICHELIN PLANTATION. THE HOA AN BRIDGE AT BIEN HAO, TWO SECTIONS OF WHICH WERE BLOWN LAST MONTH, WAS AGAIN THE OBJECT OF A PROBABLE SAPPER ATTACK -- THIS TIME UNSUCCESSFUL. ROUTE 20 TO DALAT WAS THE OBJECT OF COMMUNIST ATTENTION IN LONG KHANH PROVINCE.

THE INCIDENT LEVEL WAS SOMEWHAT HIGHER IN THE DELTA THIS WEEK, BUT PHASED DOWN SOMEWHAT AS THE PERIOD ENDED. THE NORTHERN DELTA WAS MORE ACTIVE THAN OTHER AREAS. TWO DISTRICT TOWNS CAME UNDER HEAVY SHELLING IN DINH TUONG IN THE NORTHERN DELTA, BUT THE MOST ACTIVE AREA WAS THREE EASTERN DISTRICTS IN THAT PROVINCE WHICH HAD BEEN FAIRLY QUIET SINCE THE CEASEFIRE. SEVERAL GVN POSITIONS IN KIEN PHONG PROVINCE WERE OVERRUN EARLY IN THE WEEK, BUT LATER RETAKEN. THE CUNG CANAL IN KIEN BINH DISTRICT OF KIEN TUONG PROVINCE CAME UNDER NVA/VC ATTACK DURING THE PERIOD AT A TIME WHEN THE ARVN FORCES WERE BEING RELOCATED. IN THE CENTRAL DELTA KIEN HOA WAS THE SUBJECT OF MINING AND BOOBY TRAP INCIDENTS, BUT OTHERWISE QUIET. HIGH ACTIVITY IN VINH LONG PROVINCE DIMINISHED TOWARDS THE END OF THE WEEK. IN ONE INCIDENT THERE A VILLAGE MARKET EXPLOSION WOUNDED 15 CIVILIANS. IN RECENT MONTHS THE VC/NVA HAS CONSIDERABLY

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INCREASED ITS EFFORT AGAINST DEVELOPMENT PROJECTS AND ECONOMIC INFRASTRUCTURE IN PROVINCES OF KIEN GIANG AND DINH TUONG. IN THE SOUTH, VC/NVA ACTIVITY FOCUSSED ON

MAJOR LOCS IN BAC LIEU, AND ALL MAJOR WATERWAYS WERE UNSAFE FOR TRAVEL EXCEPT THE BAC LIEU - CA MAO GRAND CANAL PARALLELING HIGHWAY 4. ACTIVITY IN AN XUYEN PICKED UP CONSIDERABLY WITH FIRE ATTACKS A FEATURE IN MOST INCIDENTS.

B. PACM: DETERMINATION TO MOVE AHEAD; CHANGES IN FOCUS

FR. TRAN HUU THANH'S PEOPLE'S ANTI-CORRUPTION MOVEMENT STAGED A WEEK LONG SERIES OF PEACEFUL PRAYER MEETINGS ENDING NOV 17, CONTINUING ITS APPARENT EFFORT TO AVOID THE KIND OF VIOLENCE THAT OCCURRED OCT 31 WHEN PACM SUPPORTERS SCUFFLED WITH PLAINCLOTHES POLICEMENT OUTSIDE TAN SA CHAU CHURCHHT PACM, HOWEVER, CONTINUES TO TALK TOUGH, SHOWING NO READINESS TO FADE AWAY DESPITE RECENT CABINET RESIGNATIONS AND CORPS COMMANDER CHANGES, FOR WHICH FR THANH CLAIMS CREDIT. A REVIEW OF PACM ACTIVITIES ISSUED BY THE ORGANIZATION NOV 17 NOW ASSERTS THAT PACM CALLED FOR THIEU TO RESIGN OCT 31 AND CONTINUES TO HOLD THAT POSITION. SAME STATEMENT SAYS THAT, THE STRUGGLE HAVING SO FAR BEEN PAID FOR IN "BLOOD AND TEARS", THERE IS NOW NO OPTION BUT TO GO FORWARD.

CONCURRENT WITH EXPRESSIONS OF DETERMINATION NOT TO QUIT, PACM HAS GREATLY BROADENED ITS STATED AREA OF CONCERN, MOVING FROM CONCENTRATION ON ANTI-CORRUPTION TO ATTACKS ON THE PRESIDENT'S CONDUCT OF THE WAR AND HIS APPROACH TO NEGOTS WITH THE COMMUNISTS. PACM CALLS FOR UNITY AMONG THE RELIGIOUS AND POLITICAL PARTIES IN A NATIONAL EFFORT TO ACHIEVE ITS GOALS. THESE WERE PROMINENT FEATURES OF A SPEECH BY FR THANH NOV 17. IN THE SAME SPEECH THE PRIEST ALSO CALLED FOR THE FORMATION OF A 10-12 MAN NATIONAL LEADERSHIP COMITE, TO WHICH COLLECTIVELY THE PRES AND PRIMIN WOULD BE SOMEHOW SUBORDINATE, AND AN ADVISORY GUIDANCE COUNCIL COMPRISING RELIGIOUS AND POLITICAL PARTY REPS AND "OLD REVOLUTIONARIES". HE SAID, TOO, THAT PACM WILL BE STRENGTHENING ITS CADRE STRUCTURE DOWN TO VILLAGE LEVEL IN COMING WEEKS. FR THANH SEEMS, THEREFORE, ON THE ONE HAND TO BE SUGGESTING A NATIONAL FRONT AND, ON THE CONFIDENTIAL

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OTHER, TO BE POSSIBLY SETTING THE STAGE FOR PARTICIPATION IN CONVENTIONAL PARTY POLITICAL ACTIVITIES VIA THE BUILDUP OF A GRSS-ROOTS ORGANIZATION.

COMMENT: THERE HAVE BEEN RECENT INDICATIONS THAT PACM WOULD SHIFT ITS ATTENTION THE THE "PEACE AND NATIONAL SALVATION" ISSUES. FR THANH GAVE NO SPECIFICS AS TO HOW HIS GRANDIOSE NEW PROPOSALS MIGHT BE REALIZED OR WHAT ROLE HE SEES FOR HIMSELF THEREIN, THOUGH IT MAY BE PRESUMED TO BE CONSIDERABLE. THERE ARE SIGNS THAT RECENT GOVT MOVES MAY HAVE AT LEAST

PARTIALLY DEFUSED THE CORRUPTION AND PRESS FREEDOM ISSUES.
THUS, THE REAL SIGNIFICANCE OF FR THANH'S PROPOSALS MAY BE
TO SIGNAL AN ATTEMPT TO SHIFT HIS GROUND OF ATTACK IN ORDER
TO REGAIN ITS MOMENTUM.

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C O N F I D E N T I A L SECTION 3 OF 5 SAIGON 14511

CINCPAC FOR POLAD

C. PRESS NOTES

FOLLOWING 8 HOURS OF HEATED DEBATE IN PLENARY SESSION, THE LOWER HOUSE ON NOV 14 ADOPTED A REVISED PRESS LAW BY A VOTE OF 76 TO 39. THE HOUSE INFORMATION COMITE HAD 3 DRAFTS BEFORE IT FOR CONSIDERATION. ONE DRAFT WAS SUBMITTED BY A PRO-ADMINISTRATION GROUP OF LEGISLATORS, ONE BY PEOPLE'S SOCIETY BLOC (PSB) MEMBERS AND ONE BY NATIONAL GROUP MEMEBER. THE HOUSE COMITE ATTEMPTZ TO RECONCILE VARIOUS ASPECTS OF THE 3 BILLS. THIS ATTEMPT WAS NOT SATISFACTORY TO OPPOSITION GROUPS. AT A PRESS CONF IMMEDIATELY PRIOR TO THE PLENARY SESSION, DEP TRAN VAN TUYEN, PSB LEADER, CHARGED THAT FINAL DRAFT BILL DID NOT MEET ASPIRATIONS OF THE PRESS. IN ADDITION, THE STRUGGLE COMITE FOR FREEDOM OF PRESS AND PUBLICATION ISSUED A STATEMENT OF SUPPORT FOR THE VIETNAMESE PUBLISHERS ASSOC (VPA) 7 POINT PROPOSAL OF NOV 11. INCLUDED AMONG THOSE PROPOSALS ARE MORE LIBERAL PROVISIONS (THAN PROVIDED IN NEW BILL) FOR PERMISSION TO PUBLISH A NEWSPAPER, FOR CONFIDENTIALITY OF NEWS SOURCES, FOR PRIOR DEPOSIT OF PAPERS WITH INFO MINISTRY AND FOR CONFISCATION OF NEWSPAPERS.

THE FINAL BILL, WHICH HAS NOW BEEN SENT TO THE UPPER HOUSE, PROVIDES FOR THE ABOLITION OF THE VN\$20 MILLION DEPOSIT FOR NEWSPAPERS AND VN\$10 MILLION FOR PERIODICALS. IT ALSO TRANSFERS THE POWER TO SUSPEND PUBLICATION FROM THE INTERIOR MINISTRY TO THE JUDICIAL BRANCH; ABOLISHES CRIMINAL SENTENCES; REDUCES PENALTIES IMPOSED FOR PRESS CODE VIOLATIONS; AND TRANSFERS JURISDICTION OVER VIOLATIONSUROM MILITARY FIELD COURTS TO THE CIVIL COURTS.
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IN PROTEST OVER THE PASSAGE BY THE LOWER HOUSE OF THE BILL AND IN COMPLIANCE WITH A DIRECTIVE OF THE VPA, ALL OF SAIGON'S VIETNAMESE-LANGUAGE DAILIES (EXCEPT FOR 2 PRO-GOVT PAPERS, IXAN CHU AND QUAT CUONG) DID NOT PUBLISH THEIR SUN-MON EDITIONS DATED NOV 17-18. THE SAIGON POST WHICH, UNLIKE MOST OF THE VIETNAMESE LANGUAGE PRESS, PUBLISHES 7; \$-6 - 233(, WITHELD ITS 18 NOV ISSUE.

AFTER THE LOWER HOUSE PASSED THE BILL, SEN TON THAT DINH, CONG LUAN PUBLISHER AND RXAIRMAN OF THE VPA, REAS THE ASSOCIATION'S RES NO 4 IN WHICH THE VPA CALLED FOR THE "COMPLETE CANCELLATION OF PRESS LAWS" 019/69 AND 00:/72 WHICH THE

VIETNAMESE NEWSMEN DEEM "OPPRESSIVE". DIOH ADDED THAT THE VPJ AND OTHER PRESS ORGANIZATIONS WILL CONTINUE THE STRUGGLE "UNTIL FINAL VICTORY".

HOA BINH (CATHOLIC OPPOSITION) AS CLOSED ITS DOORS. THERE HAVE BEEN SIGNS OF SERIOUS INTERNAL EDITORIAL POLICY DIFFERENCES SINCE SEPT 20, AT WHICH TIME HAO BINH FAILED TO PRINT THE TEXT OF PACM'S INDICTMENT NO 1 AS EXPECTED. THESE HAVE NO DOUBT CONTRIBUTED TO THE PAPERS CLOSING. CONG LUAN (INDEPENDENT) PREVIOUSLY CLOSED, REPORTEDLY FOR THE SAME REASON, HAS NOW REOPENED.

COMMENT: NUMEROUS PUBLISHER AND JOURNALISTS HAVE AGREED THAT SOME FORM OF CENSORSHIP IS NEEDED UNDER PRESENT SECURITY CONDITIONS. HOWEVER, THE FAILURE OF THE PRES TO ANNOUNCE A NEW MIN OF INFO AND CONTINUATION OF HOANG DUC NHA AS CARETAKER AT THE MINISTRY HAS DOUBTLESS CONTRIBUTED TO RELUCATNACE OF PRESS TO RELAX PRESSURE OF PRESS FREEDOM CAMPAIGN. NEVERTHELESS, LOWER HOUSE CHAIRMAN NGUYEN BA CAN TELLS US THAT HE EXPECTS A SUBSTANTIAL PORTION OF THE PROFESSIONAL PRESS (AS DISTINGUISHED FROM THOSE WITH LWOLITICAL AIMS) PUBLICLY TO DECLARE THEMSELVES SATISFIED WITH THE NEW BILL IN THE NEAR FUTURE.

D. POLITICAL PARTIES BILL ADOPTED BY LOWER HOUSE.

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ON NOV GZY THE LOWER HOUSE ENDORSED A DRAFT LAW AMENDING THE POLITICAL PARTIES RTATUTE BY A VOTE OF 67-249 THE FIRST ARTICLE AMENDS DECREE LAW 09/69 AND DECREE LAW 060/72 BY

EASING REQUIREMENTS FOR PARTY VALIDATION. VIETNAM PRESS ESTIMATES THAT THE REQUIRED NUMBER OF WARD AND VILLAGE CHAPTERS IS DECREASED FROM 300 TO 200 AND THE MINIMUM PARTY MEMBERSHIP IS REDUCED BY ONE HALF TO 100,000.

A SECOND PROVISION CONCERNS THE DISSOLUTION OF A POLITICAL PARTY, THE MOST SIGNIFICANT CRITERIA BEING THE FAILURE TO MEET THE NEWLY ESTABLISHED REQUIREMENT TO DESIGNATE PARTY CANDIDACY IN NATIONAL ASSEMBLY, PRESIDENTIAL AND VICE PRESIDENTIAL ELECTION. PARTICIPATION IN SUCH ELECTIONS IS COMPULSORY FOR ALL POLITICAL PARTIES BUT ONLY AFTER THEY HAVE HAD THEIR STATUS VALIDATED; A REQUIREMENT FOR SUCH PARTICIPATION.

THE NEW BILL ALSO PROVIDES FOR RECOVERY OF STATUS BY PARTIES WHICH WERE ORGANIZED IN ACCORDANCE WITH 09/69 BUT DISSOLVED IN DEC 72 UPON THE PROMULGATION OF 060. WITHIN TWO YEARS OF THE ADOPTION OF THE NEW LAW THESE PARTIES HAVE THE RIGHT TO SEEK VALIDATION.

THE OPPOSITION DISPUTED THE GOVTS SINCERITY AND MANY BOYCOTTED THE FINAL VOTE. AT ONE POINT AN ASHTRAY THROWING MELEE BROKE OUT AND ONE PRO-GOVT DEPUTY PULLED A PISTOL FROM HIS POCKET AND FIRED A SHOT IN THE AIR. NO ONE WAS HARMED.

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AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG
AMEMBASSY PARIS
AMEMBASSY SEOUL
AMEMBASSY TOKYO
USIA WASHDC
USDEL JEC PARIS UNN
CIA
DIA
JCS
JUSMAAG
WHITE HOUSE
USAJFKCMA/ATCS-WL-DSA
CINCPAC
CINCPACAF
CINCPACFLT
CINCUSARPAC
DEPCHIEF JUSMAAG UDORN
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C O N F I D E N T I A L SECTION 4 OF 5 SAIGON 14511

CINCPAC FOR POLAD

COMMENT: DESPITE OPPOSITION CLAIMS, THE LAW DOES
REPRESENT A DISTINCT LIBERALIZATION OF POLITICAL PARTY
VALIDATION REQUIREMENTS. IT SEEMS CERTAIN THAT AT LEAST
SOME NON-GOVERNMENT PARTIES COULD QUALIFY BEFORE THE 1975
ELECTION IF THEY CHOOSE TO DO SO.

E. NEW DEVELOPMENT IN BINH TUY CASE

CONGEN BIEN HOA REPORTS THAT THE LATEST DEVELOPMENT IN
THE BINH TUY CASE IS THE DISAPPEARANCE OF THE MAIN PROTAGONIST
BROTHER DUC, AND THE TWO HAMLET REPRESENTATIVES HELD AND
THEN RELEASED BY PROVINCE AUTHORITIES, FROM CHINH TAM III
VILLAGE.

THE CONGEN ALSO REPORTS THAT ACCORDING TO THE PROVINCE

CHIEF SOME 15 RESIDENTS OF THE CHINH TAM III HAD VOLUNTARILY COME FORWARD "TO TESTIFY" TO GVN AUTHORITIES ABOUT EVENTS IN CHINH TAM III. REPORTEDLY, THEY ARE READY TO ACCUSE BROTHER DUC OF A NUMBER OF CRIMES, INCLUDING EXTORTION, HARBORING DESERTERS AND DRAFT EVADERS, AND OF SELLING LAND WHICH HEVBPM NOT POSSESS. THE PROVINCE CHIEF HAS ALSO REPORTED TO THE CONGEN THAT A NUMBER OF OTHER PERSONS, WHOM HE CONSIDERS TO BE DRAFT DODGERS OR DESERTERS, HAVE ALSO DISSAPPEARED FROM THE VILLAGE.

F. 20TH APACL MEETING TO BE HELD INSAIGON

THE 20TH MEETING OF THE ASIAN PEOPLE'S ANTI-COMMUNIST LEAGUE IS SCHEDULED TO GET UNDERWAY NOV 21 IN SAIGON. THE MEETING, WHICH WILL BE ATTENDED BY APPROXIMATELY 100 DELEGATES REPRESENTING SOME TWENTY NATIONS AND ORGANIZATIONS, IS EXPECTED TO LAST THROUGH NOV 24.
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THE THEME OF THE CONFERENCE IS "SOLIDARITY AND PROSPERITY: THE FOUNDATION OF FREE ASIA". THE CONFERENCE WILL FOCUS ON A RECONSIDERATION OF BASIC STRATEGY IN ITS CAMPAIGN AGAINST COMMUNISM, AND WILL ATTEMPT TO DEVISE NEW PROGRAMS FOR ITS CHAPTERS TO USE IN THEIR FIGHT AGAINST COMMUNISM. PRES THIEU EXPECTED TO ADDRESS THE CONFERENCE ON NOV 21.

G. LAWYERS SPEAKING OUT

A NUMBER OF VIETNAMESE LAWYERS HAVE BEEN INCREASINGLY VOCAL OVER THE PAST WEEKS IN SUPPORT OF VARIOUS PROTEST MOVEMENTS, THOUGH THE GROUPS TO WHICH THEY BELONG DO NOT ALWAYS SEEM TO AGREE ON TACTICS. THE BAR ASSOCIATION OF THE HUE COURT OF APPEALS HAS ADOPTED THE MOST ACTIVE STANCE, HAVING DECLARED A "STRIKE" (SUSPENSION OF PLEADINGS BEFORE COURT) FROM NOV 5 TO DEC 4. THE HUE LAWYERS SAID THEY TOOK THE ACTION TO "AWAKE RESPONSIBLE AUTHORITIES AND CONTRIBUTE TO THE PEOPLE'S COMMON EFFORT IN THE CONSTRUCTION OF A GENUINE LEGISLATIVE DEMOCRACY", AND THEY ACCUSE PRES THIEU OF ABUSING HIS AUTHORITY BY ALLEGEDLY "STRANGLING" FREEDOM OF SPEECH AND POLITICAL ACTIVITY. IN SAIGON, PRESIDENT OF THE BAR ASSOCIATION OF THE SAIGON COURT OF APPEALS TRAN VAN TOT SAID THAT HE AND OTHER INDIVIDUALS, THOUGH IN SYMPATHY WITH THE HUE LAWYERS DISAGREE WITH THEIR ACTION, SAYING SUCH DISRUPTIVE ACTIVITY SHOULD BE USED ONLY AS A "LAST RESORT". TOT HIMSELF, ACTING IN HIS OFFICIAL CAPACITY, HAD WRITTEN THE PRESIDENT ON NOV 7 PROTESTING AN ALLEGED POLICE BLOCKADE OF THE SAIGON COURT OCT 31, WHICH, HE SAID, PREVENTED HIMSELF AND OTHER LAWYERS FROM ENTERING TO EXERCISE THEIR LEGITIMATE FUNCTIONS.
(NOTE: ON OCT 31, ANTI-GOVT DEMONSTRATIONS RELATED TO THE

SONG THAN TRIAL HAD HAD THE COURT AS ONE OF ITS TARGETS)
END NOTE.)

AN OPPOSITION LAWYER GROUP, THE SAIGON MILITANT LAWYERS
FORCE, HAS SAID IT WILL NOW BEGIN TO ACTIVELY AID "POPULAR
MOVEMENTS" IN THEIR STRUGGLE". THIS SAME GROUP HAS REPORTEDLY
ORGANIZED A NUMBER OF LAWYER VOLUNTEERS TO DEFEND THE THREE
NEWSPAPERS WHO ARE BEING PROSECUTED FOR HAVING PUBLISHED PACM'S SO-
CALLED INDICTMENT NO 1. THESE LAWYERS GENERALLY OPPRESS NO
COMPLAINTS OF THEIR OWN, BUT ARE SPEAKING OUT IN SUPPORT OF
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THE ACTIVITIES OF OTHERS, SUCH AS FR THANG.

H. AN QUANG FORMS RECONCILIATION GROUP FOR YOUNG MONKS AND NUNS

THE AN QUANG UNIFIED BUDDHIST ASSOCIATION NOV 17
ANNOUNCED THE FORMATION OF AN ORGANIZATION OF YOUNG BONZES
AND NUNS TO WORK FOR RECONCILIATION. CALLED THE ORGANIZATION
FOR YOUNG VIETNAMESE RELIGIOUS (TO CHUC THANH NIEN TANG NI VN),
THE NEW GROUP HAS, ACCORDING TO CHINH LUAN NEWSPAPER, A SPECIAL
SIGNIFICANCE, HAVING BEEN CREATED ONLY TWO MONTHS AFTER AN
QUANG FORMED A SIMILAR ORGANIZATION FOR BUDDHIST LAYMEN,
THE NATIONAL RECONCILIATION FORCE (NRF). AN QUANG HIGH SECULAR
COUNCIL (HSC) MEMBER TOLDNOS NOV 20 THAT THE NEW ORGANIZATION
IS UNDER THE INFLUENCE OF THICH THIEN MINH AND IS REALLY A
COUNTER TO THE NRF. CHINH LUAN QUOTES AN QUANG STATEMENT
SAYING THAT THE NEW FORCE WAS FORMED AT A TIME WHEN THE
PEOPLE'S HOPES FOR RECONCILIATION HAVE NOT BEEN ANSWERED NOR
HAVE THE GOALS OF DEMOCRACY, PEACE, AND SOCIAL JUSTICE BEEN
REACHED.

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 EB-07 PM-03 INR-05 IO-10

L-02 NSAE-00 NSC-05 PA-01 RSC-01 DPW-01 PRS-01 OMB-01

SS-15 SSO-00 INRE-00 /080 W

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O R 201045Z NOV 74
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC IMMEDIATE 447
INFO AMEMBASSY BANGKOK
AMCONSUL BIEN HOA
AMCONSUL CAN THO
AMCONSUL DANANG
AMEMBASSY JAKARTA
IAKDUEWKVGMCONSUL NHA TRANG 2529
AMEMBASSY PARIS
AMEMBASSY SEOUL
AMEMBASSY TOKYO
USIA WASHDC
USDEL JEC PARIS UNN
CIA
DIA
JCS
JUSMAAG
WHITE HOUSE
USAJFKCMA/ATCS-WL-DSA
CINCPAC
RSHOAA
G/CINCPACAF
CINCPACFLT
CIHZXUXFOC
DEPCHIEF JUSMAAG UDORN
U
PRD/SAIGON
AMEMBASSY LONDON
AMEMBASSY BUDAPEST
AMEMBASSY CANBERRA
AMEMBASSY MANILA
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AMEMBASSY MOSCOW
AMEMBASSY PHNOM PENH
AMEMBASSY STOCKHOLM
AMEMBASSY VIENTIANE
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON

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CINCPAC FOR POLAD

II. EXTERNAL

FONMIN VISITS THE PHILIPPINES

1. GVN FONMIN VUONG VAN BAC ATTENDED THE NINTH MINISTERIAL CONF ON ECON DEVELOPMENT IN SEASIA WHICH OPENED IN MANILA ON NOV 14. BAC TOLD THE CONF TTZT SOUTH VIETNAM STILL SUFFERED SERIOUS ECON PROBLEMS STEMMING FROM THE COMMUNISTS' FAILURE TO LIVE UP TO THE PARIS AGREEMENT BUT NOTED THAT VARIOUS GOVT ACTIONS COMBINED WITH A DISCIPLINED POPULACE HAD ALLOWED SOUTH VIETNAM TO INCREASE PRODUCTION AND EXPORTS WHILE EASING INFLATIONARY PRESSURES. HE STATED THAT THE DISCOVERY OF OIL OFF THE SOUTH VIETNAMESE COAST COULD BE A "TURNING POINT" IN THE COUNTRY'S ECONOMIC DEVELOPMENT.

2. THE FONMIN STAYED ON IN THE PHILIPPINES 2 DAYS PAST THE CLOSING OF THE CONF ON NOV 16. BAC WAS RECEIVED BY FON SECY ROMULO ON NOV 17 AND THE SAME DAY WAS INTERVIEWED OVERMANILA RADIO AND TV. ON NOV 18 HE MET WITH OFFICIALS AT THE PRESIDENCY AND THE FONMINISTRY TO DISCUSS THE GVN'S POSITION ON A PEACEFUL SETTLEMENT OF THE VIETNAM PROBLEM AND VARIOUS ISSUES IN THE FIELD OF REGIONAL COOPERATION. THAT EVENING BAC HOSTED A RECEPTION FOR LOCAL DIGNITARIES AND THE MANILA DIPLOMATIC CORPS. THE FONMIN RETURNED TO SAIGON NOV 19.

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III. ECONOMIC

A. FON EXCHANGE RESERVES RISE IN OCT

VIETNAM'S FON EXCHANGE RESERVES ROSE \$12.5 MILLION IN OCT, ACCORDING TO PRELIMINARY NATIONAL BANK FIGURES. DISPOSIBLE RESERVES STOOD AT \$164.7 MILLION ON OCT 31, MAKING AN INCREASE OF \$40 MILLION SINCE THE BEGINNING OF THE YEAR. DURING THE FIRST HALF OF 74, FON EXCHANGE FELL TO \$103.7 BILLION, BUT THE NATIONAL BANK'S RESERVE POSITION HAS IMPROVED SHARPLY SINCE THEN, ON THE BASIS OF \$30 MILLION IN OIL EXPLORATION FEES, AS-YET-UNEXPLAINED INVISIBLE RECEIPTS, AND DECLINE IN IMPORT PAYMENTS.

IN OCT, IMPORT PAYMENTS WERE ONLY \$11.9 MILLION, ONE THIRD LOWER THAN THE MONTHLY RATE IN THE FIRST HALF. GVN IMPORTS FOR THE FULL YEAR WILL PROBABLY REACH ONLY \$200 MILLION, OR 40 PERCENT LESS THAN THE 73 TOTAL OF \$281 MILLION. MEANWHILE,

FOREIGN CURRENCY NOTES EXCHANGED AT COMMERCAIL BANKS ROSE TO \$7.9 MILLION, FOR A TEN MONTH TOTAL OF \$52 MILLION. THE NATIONAL BANK HAS MAINTAINED A NO-QUESTIONS-ASKED POLICY TOWARD THESE TRANSACTIONS. MARKET SOURCES HAVE OFFERED THE PARTIAL EXPLANATION THAT LOCAL COMPANIES CAUGHT IN A PROFIT SQUEEZE RELATED TO CURRENT STAGNANT BUSINESS CONDITIONS HAVE BEEN FORCED TO EXCHANGE FOREIGN CURRENCY HOLDINGS FOR PIASTERS TO MEET WORKING CAPTIAL NEEDS. OTHER SURCES ALSO INDICATE THAT VIETNAM HAS BEEN A NET EXPORTED OF GOLD THIS YEAR, AND FOREIGN MONEY HAS BEEN ENTERING THE COUNTRY ILLICITLY TO PAY FOR IT.

OTHER NET INVISIBLES CONTINUED TO SHOW A STRONG SURPLUS IN OCT - \$8.2 MILLION - WHILE EXPORT EARNINGS (SEE BELOW) WERE UP SLIGHTLY TO \$5.2 MILLION.

TOTAL NATION BANK RESERVES, INCLUDING DISPOSIBLE EXCHANGE, GOLD (AT \$42 AN OUNCE) AND SDR'S WERE \$219 MILLION AT THE END OF OCT, COMPARED TO \$178 MILLION LAST DEC.

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B. EXPORT TREND STAYS FLAT.

EXPORT RECEIPTS OF US 5.3, 4.7 AND 5.3 MILLION FOR AUG, SEPT AND OCT RESPECTIVELY HAVE BROUGHT TOTAL EXPORT EARNINGS FOR THE FIRST 10 MONTHS OF 74 TO A LEVEL OF US64.7 MILLION, REPRESENTING AN INCREASE OF 32 PERCENT OVER THE COMPARABLE 73 PERIOD. THE FLATTENING OUT OF EXPORTS EXPERIENCED IN RECENOHMONTV IS NOT EXPECTED TO CONTINUE DURING THE REMAINING MONTHS OF 74. A RECENT UPTURN IN OVERALL EXPORT LICENSING ESPECIALLY FOR IRON REBAR, HANDICRAFT, FORESTRY AND RUBBER PRODUCTS SUGGEST THAT EXPORT EARNINGS SHOULD INCREASE DURING NOV AND DEC. TOTAL EXPORT RECEIPTS COULD REACH \$80 MILLION FOR THE YEAR.

C. CONSUMER PRICES DOWN marginally

A FALL IN FOOD PRICES, PARTLY OFFSET BY A SLIGHT INCREASE IN NON-FOOD ITEMS, RESULTED IN A 0.2 PERCENT DECLINE IN USAID'S CONSUMER INDEX FOR THE WEEK ENDING NOV 18. FISH PRODUCTS CONTINUED IN SEASONAL PRICE DECLINE, WHILE MOST OP DIZREACOM REMAINED UNCHANGED. ON THE NON-FO GUIDE, APPAREL AND TAILORING COSTS WERE UP, PROBABLY IN ANTICIPATION OF THE APPROACHING HOLIDAY PERIOD.

THE UAID INDEX FOR ALL ITEMS HAS RISEN 36.4 PERCENT
SINCE THE OUTSET OF 74. FOR THE PAST 11 WEEKS-SINCE
SEPT 2-THE INDEX HAS ACTUALLY DECLINED 0.3 PERCENT.

D. GOLD PRICES FOLLOW INTERNATIONAL UPWARD TREND

GOLD QUOTES IN SAIGON ROSE TO \$177 PER TROY OUNCE
EQUIVALENT DURING THE WEEK, A GAIN OF \$10. HONG KONG PRICES
WERE ALSO GOING UP TO \$184. AT THE SAME TIME, MAINTAINING A
SMALL SAIGON DISCOUNT. BLACK MARKET DOLLAR RATES WERE UNCHANGE
AT VN\$682/US\$1 FOR \$100 GREEN. DECON FOLG DEC 31, 75.
MARTIN

NOTE BY OCT: MESSAGE AS RECEIVED.
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Message Attributes

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Review Transfer Date:
Review Withdrawn Fields: n/a
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Status: NATIVE
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TAGS: PINT, PFOR, ECON, VS
To: STATE
Type: TE
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